



**ఆంధ్రప్రదేశ్ రాజ పత్రము**  
**THE ANDHRA PRADESH GAZETTE**  
**PUBLISHED BY AUTHORITY**

**PART I EXTRAORDINARY**

**No.3276**

**AMARAVATI, FRIDAY, DECEMBER 8, 2023**

**G.3438**

**NOTIFICATIONS BY GOVERNMENT**

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GOVERNMENT OF ANDHRA PRADESH  
ABSTRACT

Industries & Commerce Department – The Micro, Small and Medium Enterprises Development Act, 2006 (Act 27 of 2006) – Revised Rules of the Andhra Pradesh State Micro and Small Enterprises Facilitation Council (APMSEFC) – Orders – Issued.

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INDUSTRIES & COMMERCE (PROG-I) DEPARTMENT

G.O.Ms.No.125

Dated:30.11.2023  
Read the following:-

1. MSMED Act, 2006 Published in the Gazette of India, dt:16.6.2006 (Act No.27 of 2006)
2. G.O.Ms. No.52, Ind. & Com.(SSI.A2) Department, Dt.15.03.2007.
3. D.O. Letter No.1(4)/2015-MSME.Pol, dt:23.09.2016 of the Addl. Secretary & Development Commissioner, Ministry of MSME, GoI, New Delhi.

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**ORDER:**

In the reference 2<sup>nd</sup> read above, the rules for Andhra Pradesh Micro and Small Enterprises Facilitation Council (APMSEFC) were issued by exercising the powers issued under Section 30 read with Section 21 of the Micro, Small and Medium Enterprises Development Act, 2006. In the reference 3<sup>rd</sup> read above, the Additional Secretary & Development Commissioner (MSME), Ministry of Micro, Small & Medium Enterprises, Government of India has informed that Rules need to be revised to incorporate the best practices from State/Union Territories and draft revised rules have been sent as an advisory for consideration, for better implementation and dealing of cases by the Micro and Small Enterprises Facilitation Council of the State/Union Territories. The Commissioner of Industries, Mangalagiri has furnished the draft revised rules as called for and requested to issue revised rules for Andhra Pradesh Micro and Small Enterprises Facilitation Council.

The following notification shall be published in the Andhra Pradesh Gazette in an extraordinary issue dated:30-11-2023.

**NOTIFICATION**

In exercise of the powers conferred by sub- section (1) read with sub-section (2) of Section 30 and sub-section (3) of Section 21 of the Micro, Small and Medium Enterprises Development Act, 2006 (Act 27 of 2006) and in supersession of the earlier rules issued vide G.O.Ms. No.52 Industries and Commerce (SSI.A2) Department dated:15.03.2007, the Government of Andhra Pradesh hereby makes the following revised rules for facilitating the working of **Micro and Small Enterprises Facilitation Council**, namely:-

(P.T.O)

**1. Short title and commencement:**

- i. These rules may be called "the Andhra Pradesh Micro and Small Enterprises Facilitation Council Rules, 2021".
- ii. They shall extend to the whole of the Andhra Pradesh State.
- iii. They shall come into force from the date of their publication in the official Gazette of Andhra Pradesh.

**2. Definition:-** In these rules, unless the context otherwise requires:

- i. **"Act"** means the Micro, Small and Medium Enterprises Development Act, 2006 (Central Act 27 of 2006);
- ii. **"Section"** means a section of the Act;
- iii. **"Arbitration and Conciliation Act"** means the Arbitration and Conciliation Act, 1996 (Act 26 of 1996);
- iv. **"Council"** means the Andhra Pradesh Micro and Small Enterprises Facilitation Council established by the Government of Andhra Pradesh Under Section-20 of the Act;
- v. **Chairperson-** means the Chairperson of the Council appointed under clause (i) of sub-section (1) of section 21 of the Act;
- vi. **"Government"** means the Government of Andhra Pradesh in the Department of Industries and Commerce
- vii. **"Institute"** means any institution or centre providing alternate dispute resolution services referred to in sub-sections (2) and (3) of section 18 of the Act.
- viii. **"Member"** means a member of the Council;
- ix. **"MSE"** unit means a micro or small enterprise as per the provisions of Act.
- x. The words and expressions used and not defined, but defined in the Act shall have the meanings assigned to them in the MSMED Act, 2006.

**3. Setting up of the MSEFC**

- i. The Government shall establish at least one Micro & Small Enterprises Facilitation Council (MSEFC). However, if the work so demand can also set up more MSEFC exercising such jurisdiction and for such area as may be specified in the Notification.
- ii. The Government may also give secretariat assistance to MSEFC so appointed. It may also designate some official of the Secretariat to work as the secretary to the council who can be empowered by MSEFCs to issue notices or orders on behalf of the council.
- iii. The Government may provide a legal expert to assist the Council.
- iv. The Government may specify any fee and/or processing charges paid while filing application.
- v. The Secretariat for council may have its own seal.

(Contd...3)



#### **4. Manner of appointment of Chairperson-**

The Government shall appoint Director of Industries as Chairperson of the Council keeping in view the provisions as exist in sub Clause (i) of Subsection(1) of section 21 of the Act. However, another senior officer can also be designated as Director of Industries for a limited purpose of being the Chairperson of the council.

#### **5. Manner of Appointment of Members of MSEFC-**

- i. The MSEFC shall consist of not less than 3 but not more than 5 members, including chairperson.
- ii. Member shall be appointed as per provisions of Clause (ii), (iii) and (iv) of sub- section (1) of Section 21 of the Act.
- iii. A member appointed under clauses (ii),(iii) and (iv) of sub-section (1) of section 21 shall cease to be a member of the council if he or she ceases to represent the category or interest in which he or she was so appointed.
- iv. When a member of the council dies or resigns or is deemed to have resigned or is removed from office or becomes incapable of acting as a member, the Government may appoint another person to fill that vacancy.
- v. Any member of the council may resign from the council by tendering one month's notice in writing to the Government.
- vi. The Government may remove any member from Office:-
  - a. If he is of unsound mind and stands so declared by a competent court; or
  - b. If he becomes bankrupt or insolvent or suspends payment to his creditors ;or
  - c. If he is convicted of any offence which is punishable under the India Penal Code (Act XLV of 1860), or
  - d. If he abstains himself/herself from three consecutive meetings of the council without the leave of the Chairperson, and in any case from five consecutive meetings; or
  - e. Acquires such financial or other interest as is likely, in the opinion of the Government, to affect prejudicially his functions as a member.
- vii. A member, other than the chairperson, shall hold office for a period not exceeding two years from the date of his appointment.
- viii. The remuneration, honorarium or fees and any allowances that may be paid to the members shall be at rates as approved/notified by the Government. However, the Honorarium for each member unless revised by the Government should be Rs. 2000/- for attending each meeting of the Council.

#### **6. Procedure to be followed in the discharge of functions of the Council:-**

- i. An aggrieved Micro or Small Enterprise [MSE] unit can move a reference to the Micro and Small Enterprises Facilitation Council having jurisdiction

(Contd...4)

of the area in the format provided as Form-1 of these rules. The reference must have the Udyam Registration Number or Udyog Aadhar Memorandum (UAM) number, mobile number and email address of aggrieved MSE unit as provided in Form-1.

- ii. Such references should be attached with fee or processing charges as notified by the Government vide para 3(iv) above and with an undertaking from aggrieved MSE unit that it has not moved a reference before the Civil Court on the same dispute.
- iii. The council may examine the reference at preliminary stage to check regarding the fee or competency of MSE unit to file the reference.
- iv. In case if the reference or the particulars entered in it are not found to the satisfaction of council, it may return the reference.
- v. At least seven days' notice shall ordinarily be given for any meeting. However, in case of urgency a meeting may be called at such shorter notice as the Chairperson may consider sufficient.
- vi. The Council may appoint/or engage the services of one or more experts in terms of section 26 of the Arbitration and Conciliation Act, 1996.
- vii. The reference/application of the aggrieved micro or small enterprises supplier shall contain full particulars of the supplier and its status, supplied goods or services, terms of payment, if any, agreed between the supplier and buyer, actual payment received with date, amount due and the interest duly calculated under section 16 of the Act. The Chairperson of the Council may require any petitioner to provide further particulars of the claim or any relevant documents in support of the claim as he may consider necessary for the purpose of the proceedings. If the petitioner fails or omits to do so within fifteen days of receipt of such communication or within such further time as the Chairperson may, for sufficient cause, allow, the Council may terminate the proceedings without prejudice to the rights of the petitioner to make fresh reference if he is otherwise entitled so to do. The Petitioner shall also simultaneously send a copy of the reference to the buyer or buyers against whom the reference is directed.
- viii. The reference/application shall be acknowledged forthwith if it is delivered at the Office of the Council. Where the reference/application is received by registered post, its receipt shall be acknowledged on the same day. The Chairperson shall cause the buyer to furnish his detailed response to the reference within fifteen days of receipt of the reference by the buyer or within such further time not exceeding fifteen days, as he may, for sufficient cause, allow.
- ix. On receipt of a reference under section 18 of the Act, the Chairperson of the Council shall cause the reference and the buyers response there to be examined and, on being satisfied with the reference making a prima facie case of delayed payment, cause the reference to be placed before the council at its next immediate meeting for consideration.
- x. The Council shall either itself conduct conciliation in the matter or seek the assistance of any institute or centre providing alternate dispute resolution services by making reference to such institute or centre for conducting

(Contd...5)



conciliation. The provisions of sections 65 to 81 of the Arbitration and Conciliation Act, 1996 shall apply to such a reference as if the conciliation was initiated under Part III of that Act.

- xi. The Council or the institute to which it has been referred for conciliation shall require the supplier and the buyer concerned to appear before it by issuing notices to both parties within a week after receipt of the case in the office, in this behalf. On the acceptance of both parties, the Council or the Conciliatory body shall first make efforts to bring about conciliation between the buyer and the supplier. The Conciliatory body shall submit its report to the Council within Thirty days of reference from the Council or within such period as the Council may specify.
- xii. Where the conciliation does not lead to settlement of the dispute, the Council shall either itself act as an Arbitrator for final settlement of the dispute or refer it to an institute for such arbitration, in accordance with the provisions of the Arbitration and Conciliation Act, 1996. If the matter is referred to the institute, the institute shall arbitrate the issue and refer the award to the Council
- xiii. The supplier or the buyer may, either in person or through his lawyer registered with any court, present his case before the Council or the institute during the arbitration proceedings.
- xiv. The institute shall submit its report to the Council within such time as the Council may stipulate for award.
- xv. The Council after finalizing the award, or receiving the award from the institute shall consider the case and pass appropriate final orders in the matter.
- xvi. The Council shall make an arbitral award in accordance with section 31 of the Arbitration and Conciliation Act, 1996 and within the time specified in sub- section (5) of section 18 of the Act. The award shall be stamped in accordance with the relevant law in force. Copies of the award shall be made available within seven days of filing of requisition.
- xvii. The provisions of sections 15 to 23 of the Act shall have effect notwithstanding anything inconsistent therewith contained in any other law for the time being in force.
- xviii. The Chairperson or any other officer authorized by the Chairperson shall forward the proceedings of every meeting of the Council including annual progress report of the Council to the Member-Secretary of the Advisory Committee constituted under sub-section (3) of section 7 of the Act.

## **7. Reference to be by statement of claim:-**

- 1. A reference to the Council shall be made by way of a statement of claim in Form 1 accompanied by such documents and facts supporting his claim enclosing the requisite number of copies together with an initial share deposit towards costs of an amount of rupees one thousand by way of a demand draft in the name of the Chairman, APMSEFC, Vijayawada.
- 2. If any reference contains any claim in respect of the matters other than those referred to in sub-section (1) of section 6 of the Act, the Council shall return the claim to the claimant for deletion of the matters

(Contd..6)

extraneous to that section. Provided that if the claimant does not comply within thirty days of such return, the Council may terminate the proceedings without prejudice to the right of the claimant to make any fresh reference if he is otherwise entitled to do so.

3. The Council may require any claimant to provide any better statement or particulars of claim or any further documents in support of the claim as it may consider necessary for the purpose of the proceedings and if the claimant fails or omits to do so within thirty days of receipt of any such communication or within such further time as the Council may, for sufficient cause, allow, the council to terminate the proceedings without prejudice to the right of the claimant to make any fresh reference if he is otherwise entitled to do so.

#### **8. Challenge of member-**

1. On receipt of a statement of claim, every member shall disclose in writing any circumstances likely to give rise to justifiable doubts as to his independence or impartiality and any such disclosure shall be sent to the parties along with the notices in Form 2 calling for a statement of Defense and thereafter, the requirements of sub-section (2) of section 12 of the Arbitration and Conciliation Act, 1996 shall apply.
2. The grounds for challenge of a member and the procedure for challenge shall be in accordance with sections 12 and 13 of the Arbitration and Conciliation Act, 1996.
3. On a successful challenge, the Council shall cease to proceed with the reference and transfer the case to such other Council having alternate or concurrent jurisdiction over the dispute and such other Council shall thereafter proceed with the reference afresh or as it may deem fit having regard to the stage of proceedings completed in the former Council.

#### **9. Statement of Defense:-**

1. The Council shall if it is satisfied that, on the facts stated therein, it has jurisdiction to proceed with the reference and that the claimant is entitled under the Act to make a reference, cause a copy of the statement of claim to be sent by registered post to the respondent along with the copies of the attached documents and issue notice in Form (2) to the respondent asking him to furnish within fifteen days a statement of Defence in Form (3) with such documents and facts in support of his Defence or having a bearing on the matter under reference together with his half share of deposit for costs in such manner as may be specified therein and within the time allowed to the respondent for furnishing his statement of Defence.
2. A copy of the notice in Form (2) shall also be sent by registered post to the claimant along with a notice in Form (4) calling upon the claimant to pay a further amount after adjusting the initial deposit made by him towards his half share of deposit for costs in such manner as may be

(Contd..7)



specified therein and within the time allowed to the respondent for furnishing his statement of Defence.

3. The Council may, on an application made by the respondent showing sufficient cause, allow such further time for the statement of Defence as it may consider fit, but not exceeding thirty days from the date of receipt by the respondent of the notice under sub-rule (1).

**10. Hearings and written proceedings:-**

1. On receipt of the statement of Defence and if the amount of deposits be paid by the parties, the Council shall send a copy of the statement of defence to the claimant and fix a date for appearance and hearing of the parties and issue notice by registered post in Form (5).
2. If the respondent fail or omit to send a statement of defence within the stipulated time given to him, the Council shall proceed to fix a date for the appearance and hearing of the parties and issue notice by registered post in Form (5).
3. Provided that if the respondent failed or omitted to pay his share of the deposit the Council shall call upon the claimant to pay that share also within fifteen days of receipt of the notice.
4. Provided further that if the claimant has not paid the aforesaid share, the Council may suspend or terminate the proceedings.
5. At the first hearing, the Council shall not proceed to enter upon the merits of the subject matter in dispute till it has decided on any challenge to jurisdiction or any challenge to any of its members.
6. The Council shall decide whether to hold oral hearings for the presentation of evidence or for argument, or whether proceedings shall be conducted on the basis of documents and other materials.
7. Provided that the Council shall hold oral hearings at an appropriate stage of the proceedings, on request by a party, unless the parties have agreed that no oral hearing shall be held.
8. All Statements, documents or other information supplied to, or applications made to the Council by one party, shall be communicated to the other party and any expert report or evidentiary document on which the Council may rely in making its decision shall be communicated to the parties.
9. Where without cause:
  - a. The claimant fails to communicate his statement of claim in accordance with these rules and sub - section (1) of section 23 of the Arbitration and Conciliation Act, 1996 the Council shall terminate the proceedings.
  - b. The respondent fails to communicate the statement of Defense in accordance with these rules and sub-section (1) of section 23 of the Arbitration and Conciliation Act, 1996 the Council shall continue the proceedings without treating that failure in itself as an admission of the allegations made by the claimant.

(Contd...8)



- c. A party fails to appear at an oral hearing or to produce documentary evidence, the council may continue the proceedings and make the arbitral award on the evidence before it.
- 10. The Council may with the agreement of the parties, at any time during the proceedings, use mediation, conciliation or other procedures to encourage settlement of the dispute under section 30 of the Arbitration and Conciliation Act, 1996.
- 11. The Council shall conduct its proceedings at such place as the Government may specify in the notification.
- 12. The Council, on such terms as it may think fit at any stage for reasonable or sufficient cause, adjourn the hearing from time to time but it shall so conduct the proceedings that the decision is given as far as possible within ninety days from the first date of hearing.
- 13. At any stage of the proceedings, if the parties jointly mutually apply to the Council that the proceedings be terminated, then the Council shall terminate the proceedings

#### **11. Meetings of the Council and Quorum:-**

- i. The meeting of the council shall be ordinarily held after giving seven days notice.
- ii. However, in case of urgency, it can be called at such short notice as the Chairperson may find suitable.
- iii. All the notices/communication of the meeting shall be informed to the petitioner including through SMS and email.
- iv. The council shall hold regular meetings, at least once a month.
- v. The quorum of meeting will be two in case if the number of members is three or four, and it will be three if the number of members if five.

#### **12. Decisions of the MSEFC**

- 1. Any decision of the Council shall be made by a majority of its members present at the meeting of the Council.
- 2. Every reference made under section 18 to the Micro and Small Enterprises Facilitation Council shall be decided within a period of 90 days from the date of making such a reference.
- 3. No application for setting aside any decree, award or other order made either by the council itself or by any institution or centre providing alternate dispute resolution services to which a reference is made by the Council, shall be entertained by any court unless the appellant (not being a supplier) has deposited with it seventy-five per cent of the amount in terms of the decree, award or as the case may be, the other order in the manner directed by such court.

#### **13. Award -**

- 1. The Council shall make an award in accordance with section 31 of the Arbitration and Conciliation Act 1996.

(Contd...9)

2. The award shall be stamped in accordance with the relevant law in force.

#### **14. Deposits-**

1. The arbitral tribunal/Council may fix the amount of the deposit or supplementary deposit, as the case may be, as an advance for the costs referred to in sub-section (8) of section 31, which it expects will be incurred in respect of the claim submitted to it:
2. Provided that where, apart from the claim, a counter-claim has been submitted to the arbitral tribunal, it may fix separate amount of deposit for the claim and counter-claim.
3. The deposit referred to in sub-section (1) shall be payable in equal shares by the parties: Provided that where one party fails to pay his share of the deposit, the other party may pay that share: Provided further that where the other party also does not pay the aforesaid share in respect of the claim or the counter-claim, the arbitral tribunal may suspend or terminate the arbitral proceedings in respect of such claim or counter-claim, as the case may be.

#### **15. EXPENSES**

1. As per rule 29 of Arbitration and Conciliation Act 1996, the Council Shall be entitled to allow fees and expenses such as cost of legal or technical advise of proceedings in respect of any matter arising out of the arbitration incurred by the arbitral tribunal and any other incidental expenses and charges in connection with or arising out of the reference or award as the arbitral tribunal shall, in its absolute discretion, think fit.
2. As per Rule 3 (iii) & (iv) the council shall increase the initial share deposit from Rs.500/- to Rs.1000/- and further to increase the remaining amount (fee) of share deposits to be paid during the council meeting by 50% of present (fee) share deposit being collected in order to meet expenditure for the following:
  - a. For expenses such as hire cost of legal/ Technical advisor.
  - b. To meet expenses arising towards postal charges for sending claim petition, statement of defense, notices calling for council meeting and posting of awards.
  - c. To meet expenses arising towards photo copying charges for preparation of agenda, minutes, awards, photo copying of complete file for forwarding to the Higher Courts.
  - d. Any other incidental expenses and charges arising in connection with or arising for conducting Council meeting.
3. Chronic/intricate cases have to be referred to legal institutions for Arbitration. The arbitration of fee to be paid to the legal institutions may be borne by the respective claimants/ respondents.

(Contd...10)



## **16. Interpretation of Rules-**

Notwithstanding anything contained in these rules, the arbitral proceedings shall be governed by the Arbitration and Conciliation Act 1996 and these rules shall be interpreted and applied so as to be consistent with and supplementary to and not in derogation of the Arbitration and Conciliation Act, 1996.

## **17. Progress Report**

- i. The Council shall upload the basic information including the annual progress report of the council on the web portal created for the purpose.
- ii. The Council shall provide information to the Member Secretary of the National Board for Micro, Small and Medium enterprises as in the Act in the manner and form required from time to time.

## **18. Repeal and Saving**

The Andhra Pradesh Micro and Small Enterprises Facilitation Council Rules vide G.O.Ms.No.52, Industries & Commerce (SSI-A2) Department, Dated. 15-03-2007 are hereby repealed.

Provided that-

- a. such repeal shall not affect the previous operation of the said rules or any notification or order made or anything done or any Action taken there under;
- b. any proceedings under the said rules, pending at the commencement of these rules shall be continued and disposed of as far as may be, in accordance with the provisions of these rules, as if such proceedings were under these rules.

## **19. Removal of Difficulties**

If any difficulty arises during the course of implementation of these Rules, the same shall be clarified by the Central Government.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

**N.YUVARAJ**  
**SECRETARY TO GOVERNMENT & CIP**

To

The Commissioner of Industries, A.P, Vijayawada.

The Members through (Commissioner of Industries, A.P,Vijayawada)

The Commissioner of Printing & Stationery, Vijayawada.

(with a request to publish the Notification in the Andhra Pradesh Extraordinary Gazette and supply 50 copies of the same by 30.11.2023)

(Contd...11)

All General Managers of District Industries Centres **through**  
the Commissioner of Industries, A.P., Vijayawada.

**Copy to:**

The Pay and Accounts Officer, Vijayawada.

The Accountant General, Hyderabad.

All the District Treasury Officers in the Andhra Pradesh.

The Additional Secretary & Development Commissioner (MSME),  
Ministry of MSME, GoI, "A" Wing, 7<sup>th</sup> Floor, Nirman Bhavan, New Delhi.

The Director, MSME-DI, Balanagar, Narsapur-X-Roads, Hyderabad.

The Law [F] Department.

P.S. to Hon'ble Minister for Industries.

P.S. Secretary to Government & CIP, I&C Department.

Sf/Sc

//FORWARDED:: BY ORDER//

*B. Radhika*  
SECTION OFFICER

*CR*



**FORM-1**

**FORMAT FOR REFERENCE ON DELAYED PAYMENT TO MSEFC ANDHRA PRADESH**

To  
The Chairperson,  
Micro and Small Enterprises Facilitation Council,  
Andhra Pradesh.

Reference: U/s 18 of the Micro, Small & Medium Enterprises Development Act, 2006 (MSMED).

I am authorized representative of M/s.....This firm is a Micro /Small unit as per provisions of MSMED Act 2006. This unit has supplied the goods to M/s.....but it has not been paid as per provisions of section 15 of the MSMED Act, 2006. I therefore, aggrieved with this unit, wish to file a reference. The Information pertaining to the case is as under:

1. Udyam Registration No:
2. Date of filing application (DD//MM//YY) :
3. Details of aggrieved MSE Unit
  - 3.1 Name of Authorized representative:  
(Authorization to be attached)
  - 3.2 Name of the Unit:
  - 3.3 Address (Including Pincode):
  - 3.4 State:
  - 3.5 District:
  - 3.6 Mobile No.:
  - 3.7 E-mail:
  - 3.8 Type of aggrieved MSE: Micro / Small
4. Name of the Respondent (Buyer) :
  - o Address (Including Pincode) :
  - o District:
  - o State:
  - o Mobile No:
  - o E Mail:
  - o Category of Respondent (Buyer): [CPSU/State PSU/  
.....]
5. Principal amount Payable (Rs.) :
6. Interest Claimed as on :
7. Fee paid, if any :
  - 7.1 Amount :
  - 7.2 Methodology:
8. Documents enclosed in support of claim in respect of supply of goods supply or services rendered as referred above:
  - (i).....

(P.T.O)

(ii).....  
(iii).....  
(iv).....

I hereby declare that information given above is true to the best of my knowledge. Any information that may be further required, shall be provided immediately before the concerned authority. I further declare that I have not filed / preferred any appeal before any court on the same dispute.

Signature :.....  
Name : .....  
(Authorized Signatory on behalf of aggrieved MSE)

Date:



By Regd. Post / Ack. due

**FORM – 2**

**THE ANDHRA PRADESH MICRO & SMALL ENTERPRISES FACILITATION  
COUNCIL (APMSEFC) AT VIJAYAWADA.**

(Established pursuant to section 20 of Micro Small and Medium Enterprises  
Development Act, 2006 ( Act 27 of 2006)

**Reference No.**                      **Dated:**

Notice Calling for Statement of Defence (See. Rule 8 (1) )

..... CLAIMANT  
..... RESPONDENT

To  
The Respondent above named

The above named claimant has made a reference under Section 18(1) of the Micro Small and Medium Enterprises Development Act, 2006 (Act 27 of 2006) to this Council for Acting as an Arbitrator in respect of the amounts claimed.

You are hereby called upon to furnish, within fifteen days of the receipt of this notice, your statement of defence in form-3 specified under the Andhra Pradesh Micro Small and Medium Enterprises Council at Hyderabad (Specimen enclosed) together with:

- a. Such documents and facts in support of your defence or having a bearing on the matter under reference and total amount due and payments done therein, and
- b. Your Share of deposit of Rs. \_\_\_\_\_ (Rupees \_\_\_\_\_ only) as an advance for costs referred to in Section 31(8) of the Arbitration and Conciliation Act., 1996 by way of a demand draft in the name of the Chairman, "THE ANDHRA PRADESH MICRO & SMALL ENTERPRISES FACILITATION COUNCIL payable at Vijayawada.

A copy of the statement of claim together with the documents submitted therewith is enclosed.

The Council, being the arbitral tribunal , consists of following members.

|   |          |
|---|----------|
| Commissioner of Industries, AP.   | Chairman |
| Managing Director, AP State Finance Corporation or his Nominee not below rank of Dy. General Manager.   | Member   |
| President, Federation of Andhra Pradesh Small Industries Association (FAPSIA) or his Nominee, who shall be Executive Committee Member nominated by the President, FAPSIA. | Member   |
| General Manager (Legal), APIIC, Mangalagiri.  | Member   |
| Joint Director of Industries(MSME), O/o CoI, Mangalagiri.   | Member   |

Contd...4

In case you desire to challenge any of the members under Section 12 & 13 of the Arbitration and Conciliation Act 1996 ,you may send a written statement of the reasons for challenge within fifteen days of the receipt of this notice.

Disclosures made under Rule-7 read with section 12(1) of the Arbitration and Conciliation Act,1996 from the members are enclosed herewith.

If your statement of defence is not received within the time allowed, the Council shall proceed with the arbitral proceedings.

For CHAIRMAN  
APMSEFC

**FORM – 3**

**Statement of Defence (see Rules 8 (1))**

Reference No.

Dated:

Form and enclosures to be submitted in quadruplicate.

BEFORE THE ANDHRA PRADESH MICRO & SMALL ENTERPRISES FACILITATION  
COUNCIL (APSMSEFC) AT VIJAYAWADA

1. Name of the Claimant Seller.
2. Name of the respondent buyer.
3. Full postal address of the respondent buyer.
4. Whether the respondent buyer admits or denies the claim of the Claimant.
5. Brief statement of defense (attach documents and facts in support of defense in the matter under reference)
6. Particulars of deposit paid herewith.

SIGNATURE OF RESPONDENT



**FORM - 4**  
**THE ANDHRA PRADESH MICRO & SMALL ENTERPRISES FACILITATION**  
**COUNCIL AT VIJAYAWADA.**

(Established pursuant to section 20 of the Micro, Small and Medium Enterprises Development Act. 2006.) (Central Act No.27 of 2006)

Reference No. \_\_\_\_\_ Dated: \_\_\_\_\_  
Notice for payment of deposit (See. Rule 8 (2))

.....CLAIMANT

.....RESPONDENT

To  
The Claimant above named.

Take notice that a further amount of Rs/- \_\_\_\_\_ (Rupees \_\_\_\_\_ Only) shall be deposited by you towards your's share of deposit (Arbitration fee) as an advance for costs referred to in Section 31 (8) of the Arbitration and Conciliation Act, 1996 by way of demand draft in the name of the Chairman, "THE ANDHRA PRADESH MICRO & SMALL ENTERPRISES FACILITATION COUNCIL payable at Vijayawada.

The amount of further deposit shall be paid to the Council within the time allowed to the respondent for furnishing his statement of defence.

for CHAIRMAN  
APMSEFC

Copy to:

**FORM-5**

**THE ANDHRA PRADESH MICRO & SMALL ENTERPRISES FACILITATION  
COUNCIL (APMSEFC), AT VIJAYAWADA**

(Established pursuant to section 20 of Micro Small and Medium Enterprises  
Development Act, 2006 (Central Act 27 of 2006))

Reference No. of

Dated:

**Notice for Hearing**  
(Sec. Rule 9(2))

.....Claimant

.....Respondent

To  
The Claimant above named.

Take notice that the arbitral reference will be heard by the Council at  
Conference Hall of the Commissionerate of Industries, Vijayawada at  
.....a.m. / p.m. on..... and your appearance in person or by a duly  
authorized representative is required at the aforesaid time and date.

The Respondent has fled/ has not fled the Statement on Defence.

If you fail or omit to make an appearance, the Council may continue the  
Proceedings and make an award on the available evidences before it.

for CHAIRMAN  
APMSEFC

**N.YUVARAJ**  
**SECRETARY TO GOVERNMENT & CIP**